

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**SB 693 - HB 813**

March 12, 2021

**SUMMARY OF BILL:** Establishes the Tennessee Food Freedom Act (Act) for the purpose of recognizing the right of individuals to produce, procure, and consume homemade foods of their choice free from unnecessary and anticompetitive regulations, and foster small businesses, innovation, and economic growth.

Exempts from licensing, permitting, inspecting, packaging and label laws of this state the production and sale of certain homemade food items. Establishes that the act does not apply if any such food item is meat, meat byproduct, meat food product, poultry, poultry byproduct, or poultry food product, unless certain criteria are met.

**ESTIMATED FISCAL IMPACT:**

**Decrease State Revenue - \$24,200/FY21-22 and Subsequent Years/  
Agriculture Regulatory Fund**

**Decrease State Expenditures - \$13,000/FY21-22 and Subsequent Years/  
Agriculture Regulatory Fund**


**Assumptions:**

- The Department of Agriculture (DOA) currently permits small and home kitchens.
- This legislation will result in a decrease in such licenses.
- Based on information previously provided by the DOA, the DOA receives \$9,000 in license fee revenue from 18 community kitchen licenses; \$8,400 from 56 permits for food manufacturers using a community kitchen; and \$30,975 from small manufacturer licenses.
- A potential loss of \$48,375 in license fee revenue (\$9,000 + \$8,400 + \$30,975).
- It is estimated that this legislation will result in a decrease in licensure fee revenue to the DOA equal to half of the licensees which could potentially no longer seek licensure with the Department as a direct result of this Act.
- A recurring decrease in state revenue of \$24,188 (\$48,375 x 50%) in FY21-22 and subsequent years.
- This legislation will result in a decrease in expenditures currently incurred by the DOA to travel and investigate community kitchens, food manufacturers using a community kitchen and small manufacturers.

- Based on information provided by DOA, this legislation is estimated to impact 200 kitchens.
- The average miles traveled to domestic kitchen sites for inspections is 32 roundtrip miles, and the cost per mile is \$0.47. As a result, the recurring decrease in state expenditures to the Agriculture Regulatory Fund (ARF) is estimated to be \$3,008 (32 roundtrip miles x \$0.47 per mile x 200 domestic kitchens).
- The average expenditures incurred by the DOA for inspection of domestic kitchen sites are estimated to be \$50. The recurring decrease in state expenditures to the ARF is estimated to be \$10,000 (\$50 inspection fee x 200 domestic kitchens).
- A decrease in state expenditures of \$6,504 in FY21-22 and subsequent years (\$3,008 + \$10,000).

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Bojan Savic". The signature is written in a cursive, flowing style.

Bojan Savic, Interim Executive Director

/jb